

factory at any time to the administration, because provision was not made for the issue of bonds specifically payable in gold nor for the retirement of legal tender notes. It soon appeared that the Senate and House could not agree upon any measure between themselves, and the President and Secretary of the Treasury determined upon another issue of bonds under the existing law.

A public call for subscriptions to \$100,000,000 of four per cent, coin bonds, dated February 1, 1895, and payable at the pleasure of the United States after thirty years, was issued by Secretary Carlisle on January 5, 1896. There was some doubt at first among financiers whether the subscriptions from responsible holders of gold would be sufficient to permanently restore the gold reserve. Mr. J. Pierpont Morgan had been organizing a syndicate, in the hope of making a contract with the government similar to that of 1895, and the fact that he intended to obtain gold for the execution of his part of the contract from outside the Treasury gave the plan, in the opinion of many financiers, an advantage over a popular loan. The response to the call of Secretary Carlisle, however, when the bids were opened on February 5th, was such as to dissipate such fears and to materially strengthen the public credit. The number of subscriptions of an apparently *bona fide* character was four thousand six hundred and forty, and the amount was \$568,269,850. A syndicate headed by Mr. Morgan subscribed for the entire amount at 110.6877. It was found that there were subscriptions for \$66,788,650 at higher figures, so that Mr. Morgan's syndicate were allotted only the remainder of the \$100,000,000. Subsequent defaults on the part of some of the subscribers raised Mr. Morgan's allotment to about \$38,000,000 and made the net proceeds of the loan about \$111,250,000. The gold reserve of the Treasury was rapidly increased by the deposit of gold in payment for the bonds and rose on March 17, 1896, to \$127,-862,644. The loan appeared to afford some of the advantages in restoring business confidence afforded by the syndicate contract of 1895. Business showed increased activity, and net exports of gold fell off until revived by agi-